

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Labour Employment Training & Factories Department. – Insurance Medical Services– Andhra Pradesh Civil Supplies Corporation Limited, Hyderabad - Grant of exemption from E.S.I. coverage under Section 88 & 90 of E.S.I. Act, 1948 – Rejected – Orders - Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT

G.O.Rt.No. 710

Dated:05.06.2010.

Read the following:-

- 1.From V.C&M.D, AP State Civil Supllies Corporation Ltd., Hyd
Lr.No.P.Admn.A.7/11856/2003, Dated 02.05.2003.
- 2.From the Commissioner of Civil Supplies & Ex-Officio Secretary to
Govt., Consumer Affairs, Food & Civil Supplies Dept. Hyderabad, Letter No.
819/CS.I(2)/2003-1, dated 26.03.2004.
3. From the DIMS.,Lr.Rc.No.12628/P1/2008, dated: 11.03.2010.

ORDER:

In the reference 1st read above, V,C & M.D., AP Civil Supplies Corporation Ltd. has stated Government have issued orders vide G.O.Rt.No.678, HM&FW(Q2) Dept. dt.05.05.92 and G.O.Rt.No.404, HM&FW(Q2) Dept. dt.27.02.96 exempting Civil Supplies Corporation from the provisions of ESI Act from 01.01.1975 to 31.12.1992 and then from 01.01.1993 to 31.03.1996 respectively. Soon after the expiry of exemption period, notices have been issued on the Corporation for non-payment of contributions under the Act covering all categories of employees from 01.04.1996 and all casual and contract workers and hamalies engaged from 01.01.1993 onwards. The Corporation is owned by Government and involved in distribution of Essential Commodities under Public Distribution System as entrusted by Government.

2. In the reference 2nd read above, the Commissioner of Civil Supplies has stated that the Corporation is having 432 MLS Points (Storage Points), spread over the State for storage and distribution of essential commodities and delivering the same at the Door Step of the Fair Price Shop Dealers under Public Distribution System. Corporation is providing better medical facilities to its own employees on par with the State Government employees and sought exemption from the purview of ESI Act. These hamalies working at MLS Points have been organized into Unions and these Unions are representing for covering the hamalies under ESI Act for their social security. ESO authorities are also pressurizing Corporation to cover hamalies under ESI Act and to pay contributions which involves heavy financial implications. That there are hamalies working at private godowns, market yars, mandies and private establishments. Any policy or Act has to be applied to all but not to the public sector like APSCSCL alone which is functioning in the larger interest of poorest of the poor and implementing the prime policy of the Govt. If there is no other go and hamalies have to be covered under the Act, then the financial burden is only on the subsidy being borne by the State Government. He requested the Government to examine the matter and exempt the APS Civil Supplies Corporation Ltd. from the purview of ESI Act.

3. In the reference 3rd read above, Director of Insurance Medical Services,AP., Hyderabad has stated that the Exemption Committee in its meeting held on 08.03.2010, the committee opined that the petition filed by the employer in WP No.2227 of 2005 the employer has disputed the coverage of the establishment under the provisions of the Act. The comparison of benefits being provided by the employer to its employees to that of scheme of benefits as per provisions of the Act are much more superior in scale. The employer ordinarily does not deserve to be considered for exemption. The application for examination can be considered either for grant of exemption or rejection only when the provision of the Act is applicable. Since the matter relating to applicability of the provisions of the act (coverage) is under dispute / sub judice, the committee unanimously recommends to reject the application for exemption

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subject to condition that the Hon'ble court upholds coverage of the under the provision of ESI Act 1948.

4. Government, after careful examination of the recommendations of the Standing Committee for Exemptions, hereby reject the request of the A.P.State Civil Supplies Corporation, Hyd for grant of exemption to their employees from the coverage of ESI Act w.e.f 01.04.1996 under Section 88 read with 90 of the ESI Act.

5. The Director of Insurance Medical Services,AP., Hyderabad is requested to take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA RADESH)

BHANWAR LAL
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Insurance Medical Services,AP., Hyderabad

Copy to: The V.C & M.D, AP Civil Supplies Corporation,Hyderabad .

The Regional Director, ESI Corporation, Hill Fort Road, Hyderabad.

Sf/Sc.

// Forwarded by order//

SECTION OFFICER